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Although the gold item has steadily fallen with the general Treasury balance, it is significant that the Treasury holdings of silver, reaching their highest point of over 130 millions in July, 1886, have also fallen, and since the summer of 1891 have never exceeded 25 millions. But in comparing these results with the percentages paid in to the New York Sub-Treasury, it is found that from the autumn of 1886 to the spring of 1891 the Treasury received large percentages of gold, and small percentages of silver money. This corresponds with the period of largest gold reserves, except in 1889-90.

The percentages of gold payments fell alarmingly in the summer of 1891, rose once in December and January (1892), and then remained very low until the autumn of 1893, when the percentage again rose to a normal point. The period from June, 1891, to September, 1893, is unequalled for the falling off of gold payments into the Treasury and the increase of payments in silver money or in United States notes. This period is comparable only with that from the summer of 1884 to the autumn of 1886, which was less serious. The study of the figures since 1878, therefore, leads clearly to the conclusion that we are still in a period of confusion, as compared with any previous year, but that the percentage of gold payments is again becoming normal, the fear of a possible silver standard having disappeared. The maintenance of a gold reserve, consequently, is not a question as to the standard, but one merely of income or outgo. When the income increases, the gold reserve will increase.

THE ARMY OF THE COMMONWEAL.

THE ostensible purpose of the "Army of the Commonweal" has been the creation of a livelihood for a great number of people by means of a creation of employment, to be effected by a creation of capital through the creation of fiat money. That is to say, on the face of it, the heart of the "movement" is an articulate hallucination. In this its elaborate form the hallucination probably holds a secure lodgement only in the minds of a small number of people, including a large part of those who have enrolled themselves in the Army on ground of a serious conviction. By those who have sympathized with and furthered this new-fashioned excursion into the field of economic reform the hallucination probably is rarely harbored in this painstakingly

absurd shape. Among the common run of its sympathisers the sentiment with which assent is given to the demonstrations of the Army seems to go no farther, either in its scope or in its elaboration of details, than a general conviction that society owes every honest man a living ; but a sentiment going that length certainly has obtained some considerable vogue. How, or under what circumstances, or precisely why “society” is to afford the honest man a livelihood is a thoroughly unprofitable question. The answer, so far, does not go much beyond the general proposition *that* it is to afford it. To the extent to which such a sentiment prevails, even in the vaguest form, it is certainly a sufficiently serious accession to the public sentiment of the community, and a sufficiently striking innovation in the American attitude toward economic questions.

No doubt much of the disturbance is due to demagogism, perhaps more is due to a taste for picturesque adventure and a distaste for serious application to unfamiliar work, and much of the countenance accorded it by outsiders may be less disinterested than would appear at first glance. But the sentiment on which it proceeds must not be conceived to be entirely, or even mainly spurious. The Army of the Commonweal is a new departure in American methods, whether it is to be considered a departure of grave import or not, and a new departure in any people’s manner of life and of looking at things does not come about altogether gratuitously ; there must be something more vital than a feigned sentiment behind it. After all deduction is made for the spectacular and the meretricious in this “movement,” after allowing for the attraction which it exerts on idlers as a temporary means of subsistence and entertainment, and on the friends of humanity as a means of martyrdom, after allowing for the elements of blackmail and of business shrewdness in the enthusiasm with which these straggling bands have sometimes, especially in the middle West, been speeded on their way, and for the promptings of discontent that have mingled in the sympathy expressed by outsiders remote from the scene and without personal interest in the demands put forth, there is still left a broad substratum of honest sentiment shared in by an appreciable fraction of the community. What is the economic import of this sentiment ?

As near as the bizarre characters in which it is written can yet be deciphered, the message of the Army of the Commonweal says that certain economic concepts are not precisely the same to many people

today that they have been to the generation which is passing. "Capital," to this new popular sense, is the "capital" of Karl Marx rather than that of the old-school economists or of the market place. The concept of "property" or of "ownership" is in process of acquiring a flexibility and a limitation that would have puzzled the good American citizen of a generation ago. By what amounts to a subconscious acceptance of Hegelian dialectic it has come about that an increase of a person's wealth, beyond a certain ill-defined point, should not, according to the new canon of equity, be permitted to increase his command over the means of production or the processes which those means serve. Beyond an uncertain point of aggregation, the inviolability of private property, in the new popular conception, declines. In Hegelian phrase, a change in quantity, if it is considerable enough, amounts to a change in kind. A man—still less a corporation—must no longer do what he will with his own, if what is classed as his own appreciably exceeds the average. It is competent for his neighbors to appeal for his guidance to the corporate will of the community, and in default of an expression of the corporate will the neighbors in question may properly act vicariously for the community.

But the content of the new accession to popular sentiment is not exhausted by this question of detail alone. Its scope is more magnificent than petty property relations between one individual and the next. There is a class, shown by the Army of the Commonweal to be larger than was previously apprehended, which is, or has been, drifting away from the old-time holding ground of the constitution. The classic phrase is no longer to read, "life, liberty, and the pursuit of happiness"; what is to be insured to every free-born American citizen under the new dispensation is "life, liberty, and the *means* of happiness." The economic significance of this change of attitude, if the new habit of mind should spread so far as to become the dominant attitude of an effective majority of the American people, is tremendous. It means the difference between the civil republic of the nineteenth century and the industrial republic of the socialists, with the gradual submergence of private initiative under the rising claims of industrial solidarity. But whether any sweeping change of this nature will, or can, come, is extremely doubtful. In order to a continued growth of the sentiment it is necessary that experience should prove the feasibility of paternalism, or socialism, on a scale that is not borne out by the experience of the past.

And the appeal from individual initiative and responsibility is not taken to the local civil body, as would have been expected to happen if an analogous disturbance had occurred at any time in the past. The industrial solidarity that is assumed is not a solidarity and autonomy of the local unit. The movement does not contemplate an application of the principle of the town-meeting to solve an economic difficulty. It is not an appeal to local self-help; it is an appeal to Cæsar. These individual unemployed men, whether out of employment by preference or by force of circumstances, are acting on "a wild surmise" that they individually stand in some direct, vital economic relation to the general government, and through the general government to all the rest of the community, without intermediation of any lower or local body. These men disregard the fact of local units and local relations with a facility which bespeaks their complete emancipation from the traditions of local self-government. If the industrial republic is to be floated in on the wave of sentiment which has carried the Army of the Commonweal, it will not be the anarchist republic of autonomous communes held together in a lax and dubious federation.

It may seem a sweeping generalization to say that this attitude is but an expression of the fact latterly emerging into popular consciousness, that the entire community is a single industrial organism, whose integration is advancing day by day, regardless of any traditional or conventional boundary lines or demarcations, whether between classes or between localities. The biologist might, perhaps, name the process "economic cephalization." The aberrations, in which this consciousness—or half-consciousness—of an increasing industrial coherence is expressing itself, must not be allowed to mask the significance of the great substantial fact whose distorted expression they are. That the expression of the fact has taken a form so nearly farcical is something for which society may be indebted to the influence of protectionism, or populism, or to the ethical and the clerical economists and sociologists, or to any other of the ramifications of the paternalistic tree of life; but the substance, upon which these deft artificers may have imposed a vicious form, has been furnished by the situation. This substratum of sentiment is, as popular sentiment must be, the product of the environment acting upon the average intelligence available in the community at the time. An intellectually undisciplined populace, especially when under the guidance of leaders whose prime qualification for leadership in an intellectual crusade is an intense and

comprehensive sympathy, may not, at the first stroke, achieve what will prove a tenable theory of the facts whose presence has stimulated the movement of their brain; but in no community does an appreciably large class take a new attitude toward a question of public concern without the provocation of a change in the situation of the community, or of some considerable portion of it.

The result, in the way of public sentiment, wrought out by the action of the environment upon the average intelligence may, within limits, be readily shaped by well-meaning advocates of any doctrine which purports to solve all new questions that arise and remedy all defects that come into view as the economic structure of society grows and changes form. The spell of the bearer of a universal solvent is irresistible, at least until his nostrum has repeatedly failed in the test, or until the generation which has given it credence is dead. Now, we have had at least three lines of professedly infallible hortatory instruction converging upon this point in popular belief. As between these three, the priority in point of the date of its advent into popular teaching, as well as in point of naiveté, belongs to the column which upholds the two-fold principle of fiat money (greenbackism, bimetallism) and of fiat prosperity (protectionism). Second, there is a cloud of witnesses, the gentler-mannered spokesmen of the pulpit, whose discourse runs upon the duties of the rich toward the poor, and of rulers toward their subjects—the duty of a “superior” towards an “inferior” class; these bear testimony to the strength and beauty of the patriarchal relation—the Spencerian relation of *status*. Third, there is the cis-atlantic line of the Socialists of the Chair, whose point of departure is the divine right of the State; whose catch-word is: “Look to the State;” whose maxim of political wisdom is: “The State can do no wrong.” A few decades ago these phrases read, “The King,” where they now read, “The State.” This change of phraseology marks a step in the evolution of language, *et præterea nihil*. The spirit remains the same as ever. It is the spirit of loyalty, petition, and submission to a vicarious providence. This position has been euphemistically termed State Socialism, but it is, in principle, related to socialism as the absolute monarchy is to the republic. These three variants of paternalism have had the public ear, and have constituted themselves guides and interpreters to the public intelligence during the period in which the increasing coherence and interdependence within the economic organism has been coming into view, and the result is what we see.

The ingrained sense and practical tact of the American people (or rather of a fraction of it) have been blurred into reflecting an uncertain image of industrial paternalism. But with it all goes a valuable acquisition in the shape of a crude appreciation of the most striking and characteristic fact in modern industrial evolution.

The changed attitude on an economic question, of which many occurrences connected with the Army of the Commonweal are an evidence, is in substance due to a cumulative organic change in the constitution of the industrial community—a change which may, or may not be considered to have reached serious proportions, which may, in itself considered, be a change for better or for worse, which may still be in its initial stage or may already have nearly run its course, but in any case it is a change of sufficient magnitude to seek expression, now that the occasion offers. To use a Spencerian phrase, advancing “industrial integration” has gone far enough to obtrude itself as a vital fact upon the consciousness of an appreciable fraction of the common people of the country.

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